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VIA ELECTRONIC MAIL AND HAND DELIVERY

May 9, 2005

Joseph Melchers
Public Service Commission of South Carolina
P.O. Drawer 11649
Columbia, South Carolina 29210

RE: Petition of the Office of Regulatory Staff to Request Forfeiture of the Bond and to Request Authority to Petition the Circuit Court for Appointment of a Receiver.

PSC Docket No.: 2005-110-W/S

Dear Mr. Melchers:

This letter is in response to the Motion for a Continuance and a Motion to Sever filed by Mr. Louis Lang on behalf of Piney Grove Utilities, Inc. ("Company") on May 3, 2005. The Office of Regulatory Staff is only responding to the Motion for a Continuance, but reserves its right to respond to the Motion to Sever at a later date.

It is the understanding of ORS that on May 6, 2005, the Company entered into an agreement with the Department of Health and Environmental Control relating to proceedings before the Honorable Marc H. Westbrook. The agreement specified that by May 9, 2005 at 5:00 p.m., the Company would enter into a contractual relationship with a certified wastewater treatment facility operator. In the alternative, the Company agreed to allow DHEC to appoint a receiver to take over the operations of the facility.

In light of these recent events, ORS believes that, while there are continuing concerns that should be addressed as soon as possible, the immediate public health threat has abated. Therefore, ORS does not oppose the granting of a continuance for the hearing date for a reasonable amount of time if the Commission deems it is necessary; however, ORS would urge that the hearing be scheduled as soon as practicable.

Joseph Melchers

May 9, 2005

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The Motion for Continuance also requested an extension of the prefiling and discovery deadlines. While ORS believes it would be appropriate to postpone prefiled testimony deadlines in accordance with the hearing dates, pursuant to ORS's need to properly investigate and review the matters pending before the Commission, ORS would oppose any extension relating to discovery requests.

Thank you for your assistance with this matter and if you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Benjamin P. Mustian", with a long horizontal flourish extending to the right.

Benjamin P. Mustian
Attorney

cc: Louis Lang, Esquire (via electronic mail and U.S. mail)